

	A	B	C	D	E	F	G	H	I	
1		Appendix A2 -- NON-U.S. ORGANIZATION								
2										
3	Name of Organization		AFROHUN							
4	Type of Organization		Non-profit							
5	Proposed Activity/Amount		USAID OHW-NG Transition Award	TBD						
6	Assessment Conducted by		OHW-NG Objective 3 Global Team							
7	Dates Conducted		February, 2020- April 9, 2020							
8	A NUPAS, using the following matrix, should be performed for all non-U.S. awards to assist Agreement Officers in making responsibility determinations through assessment of Nongovernmental Recipients.									
9										
10	NUPAS Objectives:									
11	1. To determine whether the non-U.S. organization has sufficient financial and managerial capacity to manage USAID funds in accordance with U.S. Government and USAID requirements.									
12	2. To determine the most appropriate method of financing to use under the potential USAID award; and									
13	3. To determine the degree of support and oversight necessary to ensure proper accountability of funds to be potentially provided to the organization.									
14										
15	SCORING									
16	Capacity and Risk Areas to Review			1	2	3				
No.			INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award	WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award	ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award					
			High Risk	Moderate to High Risk	Low to Moderate Risk					
17										
18										
19	First Criterion: LEGAL STRUCTURE									
20	1.1	Local Organization Definition:								
21		Confirm compliance with USAID "local organization" definition. <i>[Only applicable if the Mission intends to limit competition to local organizations.]</i>	1	Organization does not meet the definition and <u>has no plan</u> or capacity to change.	Organization does not meet the definition and <u>has a plan</u> by which it will meet the definition within 2 – 4 months.	Organization meets the definition and there are <u>some contingencies</u> or conditions that make maintaining such status challenging or uncertain.				
22										
23	1.2	Legal Requirements:								

	J	K	L	M	N	O	P	Q	R
1	ON PRE-AWARD SURVEY (NUPAS)								
2									
3									
4									
5									
6									
7									
8	Assessment of a potential awardee's likelihood for compliance with the Standard Provisions for Non-U.S.								
9									
10									
11	Comments:								
12									
13									
14									
15									
16	4 (Highest Score)								
17	STRONG CAPACITY No Deficiencies or SW		SCORE	SCORE Based On:			Doc. Reference	Rationale	
18	Low Risk			Desk Review	Virtual Site Visit	Obsn.			Test
19									
20									
21	Organization meets the definition and has stable conditions for maintaining such status.		N/A	N/A	N/A	N/A	N/A		
22	Score		N/A						
23									

	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17	Recommendations													
18														
19														
20														
21	Although relevant only to situations where USAID limits competition to "local organizations," this possibility should be considered in the strategic planning process. A "local organization" must be organ													
22														
23														

	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
21	nized under the laws of the recipient country. If there is a funding opportunity available to an AFROHUN member university not located in Uganda, where AFROHUN is organized, then AFROHUN wd																
22																	
23																	

	AX	AY	AZ
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	ould not be eligible for the opportun		
22			
23			

	A	B	C	D	E	F	G	H	I
24		Confirm compliance with legal registration requirements and other material licenses, permits, laws and regulations.	2	Organization is <u>not legally registered</u> or registration has <u>expired</u> . Organization lacks one or more required permits or licenses to operate. Organization is <u>not aware</u> of its obligations under required licenses and permits or applicable tax, labor, occupational health and safety, environmental, or other material laws and regulations. Or, the organization is aware but has not yet applied for the permits/licenses.		Organization has applied for legal status and is <u>not yet a legally recognized entity</u> in the country in which it operates. Organization has applied for and has not yet obtained one or more required permits or licenses to operate. Organization is <u>aware</u> of its obligations under required licenses and permits or applicable tax, labor, occupational health and safety, environmental, or other material laws and regulations.		Organization is legally registered and has all required permits and licenses to operate. Organization is aware of its obligations under its licenses and permits and applicable tax, labor, occupational health and safety, environmental, and other material laws and regulations; is in <u>substantial compliance</u> with all such legal obligations. The organization is taking (or plans to take,) corrective action where needed.	
25	See Guidance for definitions of "Deficiency," "Significant Weakness," and "Weakness." SW = Significant Weakness(es).								
26									

	J	K	L	M	N	O	P	Q	R
24	Organization is legally registered; has, and is fully compliant with, all required permits and licenses to operate; is aware of its tax status and is fully compliant with applicable tax, labor, occupational health and safety, environmental, and other material laws and regulations relevant to its operations.		3.40	2.80	4			1. Registration No. 80010000640379 / 132925, 24 June 2011 (Uganda Registration Services Bureau). 2. 2018 Ernst & Young Audit p. 21 (tax exemption and legal registration in Cameroon, DRC, Ethiopia, Rwanda, or Senegal) 3. OHCEA Operations Manual pp. 58-59 4. OHCEA Safety Plan Covid-19	AFROHUN (under its OHCEA name as of this writing) is legally registered as One Health Central & Eastern Africa OHCEA Ltd., Registration No. 80010000640379 / 132925, 24 June 2011 (Uganda Registration Services Bureau). Its name change to AFROHUN is pending with the Uganda Registration Services Bureau and in the 5 countries where it is seeking registration for the first time). According to its 2018 audit, AFROHUN could qualify as an exempt entity for tax purposes. However, Uganda tax law requires that to do so requires AFROHUN to apply for a tax exemption certificate from the Uganda Revenue Authority. As of the 2018 E&Y audit, it had not done so. Further, because it is not registered in Cameroon, DRC, Ethiopia, Rwanda, or Senegal, it may face penalties related to taxable activities in those countries (E&Y 2018 audit). The Operations Manual provides for policies on workplace safety at pages 58-59. They do not state they are compliant with law, but the statements included therein are consistent with equivalent statements made pursuant to U.S. law.
25									
26	Score		3.40						

	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
24	1. Finalize registration with Uganda Registration Services re name change to AFROHUN 2. Secure tax exemption certificate from Uganda Revenue Authority 3. Secure corporate/entity registrations as AFROHUN in Cameroon, DRC, Ethiopia, Rwanda, or Senegal 4. Assess extent of penalties, if any, for conduct of activities in Cameroon, DRC, Ethiopia, Rwanda, or Senegal for activities undertaken without registration. 5. Ensure that legal compliance assessment is executed at the Secretariat level, rather than at the country level. 6. Include audit statement from Uganda National Social Security Fund													
25														
26														

	A	B	C	D	E	F	G	H	I
27	1.3	Organizational Structure:							
28		Confirm that the organization's charter, by-laws and other foundational/operational documents support its mission and goals	3	Organization has <u>no formal organizational structure</u> ; there are clearly inadequate or entirely missing definitions of departmental or functional responsibilities and lines of responsibility; lines of communication among departments or key functions are weak. The organization has no defined mission.		Organization has <u>less than an adequate organizational structure</u> ; roles and responsibilities of departments or functions and lines of communication are not well defined, and the organization does not have a defined mission.		Organization has an <u>adequate organizational structure</u> , adequately designed and relevant to its mission and goals, roles and responsibilities of departments or functions and lines of communication are adequately defined and appropriate.	
29	1.4	Governance:							

	J	K	L	M	N	O	P	Q	R
27									
28	Organization has a strong organizational structure, well designed and highly relevant to its mission and goals, roles and responsibilities of departments or functions and lines of communication are well-defined and highly appropriate.		3.00	3.00	3	exercise many		<p>1. OHCEA 10-Year Strategic Plan 2011</p> <p>2. OHCEA strategic plan framework draft 2019-24</p> <p>3. OHCEA Certificate of Incorporation</p> <p>4. OHCEA Articles of Association</p> <p>5. OHCEA Finance Manual p. 29</p> <p>6. Towards OHCEA's Sustainability: A Report on the OD Assessment and Proposed Interventions p. 17</p>	<p>Strategic Framework, the mission of AFROHUN is to "To drive transformational change for continuous improvement of health and well-being of humans, animals, and ecosystems through multidisciplinary research, training and community service." This mission statement is currently being revised.</p> <p>The organizational structure is built upon a Leadership Summit/Dean's Summit which in turn selects the Board of Directors. A CEO/PI/Programme Manager and Deputy CEO/CO-PI oversee the day-to-day work of AFROHUN. This arrangement is analyzed further under "Governance" below.</p> <p>The Certificate of Incorporation, Articles of Association, Finance Manual and Human Resources Manual support its mission and goals, although there are some inconsistencies across these documents as to role/responsibility descriptions. For example, the Finance Manual (p. 29) refers to an Audit Committee of the Board of Directors, but that Committee does not appear elsewhere in operational documents which generally refer to "Scientific", "Resource Mobilisation" and "Human Resource" committees.</p> <p>The Strategic Plan 2019-24 suggests that by-laws have not been drafted yet, and those</p>
29									

	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
27														
28	<p>1. Draft by-laws that describe the positions of director, CEO/PI, and Deputy CEO/Co-PI with specific terms of reference that are tailored to AFROHUN's mission.</p> <p>2. Ensure by-laws specify functional committees, TORs for directors to serve on them, and criteria for their selection and succession.</p> <p>3. Ensure that changes in mission and vision statements for the 2019-24 plan are consistent with AFROHUN's organizational structure.</p>													
29														

[illegible]

	A	B	C	D	E	F	G	H	I
30		Confirm that the organization emphasizes the importance of and practices good corporate governance in all key areas. <i>[Refer to OECD Principles of Corporate Governance: right and equitable treatments of shareholders (only used for public organizations), interests of other stakeholders, role and responsibility of the board, integrity and ethical behavior, disclosure and transparency.]</i>	4	Management of the organization <u>does not</u> adequately emphasize and the organization does not practice good corporate governance in key areas. Deficiencies and SW in key areas of corporate governance are not remediable prior to award.		There is <u>marginal involvement</u> by organization's management in addressing the importance of good corporate governance in key areas. Deficiencies and SW** in one or more key areas of corporate governance may not be easily remediable.		Organization's management <u>addresses</u> the importance of good corporate governance in key areas, and there are a few weaknesses in one or more areas of corporate governance. Those are remediable.	
31									
32	1.5	Control Environment:							

	J	K	L	M	N	O	P	Q	R
30	Organization's management regularly and consistently emphasizes the importance of and practices good corporate governance (as broadly defined) in all key areas.		3.00	3.00	3			<p>1. OHCEA Articles of Association</p> <p>2. Human Resources Manual pp. 5-6</p> <p>3. OECD Principles of Corporate Governance Section VI - Boards of Directors</p> <p>4. Towards OHCEA's Sustainability: A Report on the OD Assessment and Proposed Interventions pp. vii, 7, 15, 16</p> <p>5. OHCEA Finance Manual p. 29</p> <p>6. Strategic Plan 2019-24 p.</p>	<p>Summit and AFROHUN's Board of Directors may require additional explanation for purposes of desk review. While the NUPAS envisions the decision-making entity called the "board" as the primary authority of the non-U.S. organization, AFROHUN's governance structure is dedicated by its Articles of Association and other organizational documents to the Leadership Summit/Dean's Summit. The Leadership Summit is comprised of Heads of member institutions such as Deans/Directors. The Leadership Summit is charged with the responsibility of approving Board decisions and country programs for implementation. The Leadership Summit/Dean's Summit, according to the Articles of Association and the Human Resources Manual (p. 6), selects the Board of Directors.</p> <p>With respect to management, a CEO/PI and Deputy CEO/Co-PI are the managers. Currently, they are drawn from the disciplines of public health and veterinary medicine. Their roles are not clearly defined in by-laws nor elsewhere in available documents and manuals. Participation by West African countries is facilitated by a technical advisor, although effective inclusion of Francophone countries appears to be a challenge.</p> <p>AFROHUN's governance structure is</p>
31	Score		3.00						
32									

	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
30	<p>1. By-laws should ensure that directors are sufficiently diverse and have the necessary technical skills to fulfill their role and provide for specific commitment to principles of good governance. This includes formalization of the Board Secretary's role in communicating board terms of reference when new directors join.</p> <p>2. Provide minutes showing change from 1 year term for board members to 3 year terms.</p> <p>3. There should be efforts to document and ensure that the major governance structures, Leadership Summit, Board of Directors, and Secretariat are all involved in strategic planning/policy formulation.</p> <p>4. A defined succession plan for directors, the CEO/PI, and Deputy CEO/Co-PI should be adopted and codified in by-laws.</p> <p>5. The board should staff its audit committee with non-executive board members and ensure that they possess the skills necessary to undertake the audit function.</p> <p>6. Clarify membership contribution amount (currently \$2000) and commitment by deans to supporting AFROHUN.</p> <p>7. Document transitions between chairs of the board of directors.</p>													
31														
32														

	A	B	C	D	E	F	G	H	I
33		Confirm that adequate safeguards exist within the organization to ensure fidelity to fiduciary obligations and prevent officials from obtaining financial or non-financial benefits on the basis of decisions made or actions taken in their official capacity.	5	Board does not have TOR or a clear understanding of its key functions. Board term limits are not defined or are unreasonable. There is no approved process for electing/ appointing/ removing Board members and officers. Organization has no or <u>negligible</u> fiduciary risk controls covering Board members, officers, and employees; there are no credible mechanisms for enforcement of such policies and controls. The control environment is so deficient it presents an unacceptable level of risk.		Board has <u>incomplete</u> or otherwise inadequate TOR and lacks an adequate understanding of its key functions; key functions are carried out <u>inconsistently</u> . Board term limits are not defined or are unreasonable. No approved process for electing, appointing or removing Board members and officers is in place. Organization has <u>inadequate</u> fiduciary risk controls covering Board members, officers, and employees; there are inadequate mechanisms for enforcement of such policies and controls.		Board has adequate TOR and an <u>adequate understanding</u> of its key functions and those functions are carried out <u>generally</u> well. Board term limits are defined and reasonable. Board members and officers are elected/appointed/ removed in an acceptable manner. Organization has fiduciary risk controls covering Board members, officers, and employees; <u>adequate</u> mechanisms for enforcement of such policies and controls are in place.	
34									
35	Average								

	J	K	L	M	N	O	P	Q	R
33	Board has clear TOR** and a good understanding of its key functions and those key functions are carried out consistently well. Board term limits are defined and reasonable. Board members and officers are elected/appointed / removed in accordance with applicable laws and approved, written procedures. Organization has fiduciary risk controls covering Board members, officers, and employees; effective mechanisms for enforcement of such policies and controls are in place.		3.00	3.00	3			<p>1. Britam Professional Liability Insurance Policy 900/053/1/0001 71/2019/11 and Britam Directors & Officers Liability Insurance Policy 900/055/1/0000 30/2019/11</p> <p>2. OHCEA Human Resources Manual p. 6 and Section 5.5</p> <p>3. OHCEA Operations Manual pp. 24-25</p> <p>4. OHCEA Finance Manual p. 8 and Section 16</p>	<p>Board of Director responsibilities are most clearly set forth in the Articles of Association and in the Finance Manual (p. 8). Because the level of participation of deans is uneven, it will be necessary to provide documents showing that all internal control provisions are communicated to deans, directors, and managers.</p> <p>It will be useful to review copies of minutes from general meetings of the Leadership Summit/Dean's Summit and the meetings of the Board of Directors to assess the Control Environment further.</p> <p>Processes for selecting members of the Board of Directors and AFROHUN staff are set forth in the Articles of Association and the Human Resources Manual.</p> <p>AFROHUN has several fiduciary risk controls covering board members, officers and employees. Paragraph 42 of the Articles of Association, Section 16 of Finance Manual and Section 5.5 of Human Resources Manual address conflicts of interest generally and the expectations for fiduciary behavior. The Operations Manual at pages 24-25 addresses conflicts of interest in the procurement process specifically. AFROHUN carries both professional indemnity and directors' & officers' policies to cover internal control</p>
34	Score		3.00						
35	Page Score for LEGAL STRUCTURE		3.1						

	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
33	1. Include Internal Control statements and provisions in formalized TOR for board members, CEO/PI and Deputy CEO/Co-PI 2. Provide minutes of board meetings showing presentation of internal control provisions. 3. Document declarations of conflicts of interest by deans, directors, managers, and employees.													
34														
35														

	A	B	C	D	E	F	G	H	I
1	Capacity and Risk Areas to Review			SCORING					
2				1	2	3			
3			No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award	WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award	ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award			
4				High Risk	Moderate to High Risk	Low to Moderate Risk			

	J	K	L	M	N	O	P	Q	R
1	4 (Highest Score)								
2									
3	STRONG CAPACITY No Deficiencies or SW		SCORE	SCORE Based On:				Doc. Ref	REMARKS/ RECOMMENDATIONS
4									
	Low Risk			Desk Review	Inquiry	Obsn.	Test		

	A	B	C	D	E	F	G	H	I
5	Second Criterion: FINANCIAL MANAGEMENT AND INTERNAL CONTROLS SYSTEMS								
6	2.1 Banking Relationship and Accounts								
7		Confirm the organization has a banking relationship with a registered commercial bank in country, and that the organization has adequate policies, procedures and practices in place to ensure regular reconciliation of bank accounts with the accounting records.	6	Organization has <u>no banking</u> relationship. Organization uses the bank account of a senior employee and funds are commingled with personal funds.		Organization has no banking relationship, and <u>plans to establish</u> a bank account in a registered banking institution prior to an award.		Organization has a bank account in a registered banking institution and the account is <u>adequate</u> for its mission/ goals. Opening and maintaining additional accounts limited to specific purposes may be beneficial.	
8				Bank accounts are rarely or never reconciled.		Bank accounts are periodically reconciled. Documentary evidence does not exist to determine, review and approve monthly bank reconciliations.		Bank accounts are reconciled on a monthly basis. Adequate documentary evidence exists to determine, review and approve monthly bank reconciliations.	
9				Overall, the organization's policies, procedures and practices in this area are not adequate.		Policies <u>do not</u> stipulate requirements for regular bank reconciliation. <u>Less than adequate</u> action is taken on outstanding items over 60 days.		Policies stipulate <u>adequate</u> requirements covering regular bank reconciliation. Adequate action is taken on outstanding items over 60 days.	
10									
11	2.2 Accounting/ Bookkeeping System								

	J	K	L	M	N	O	P	Q	R
5									
6									
7	Organization has bank accounts in a registered commercial banking institution that are <u>appropriate</u> for its mission/goals.								The Financial Manual sufficiently covers a number of key topics, including account management and reconciliation, generation of financial reports for management oversight and planning, variance analysis, and segregation of duties for payment processing. Overall, the financial manual is pretty thorough and clearly written. I did not see anything in the document regarding how to determine whether or not a cost is allowable or not, nor was there any reference to the Uniform Guidance (2 CFR 200), which is very important to proper management of USG funding. Would like to know how OHCEA/AFROHUN records their indirect cost assessments when reconciling their bank statements and how these funds are utilized by the Secretariat in support of AFROHUN activities. Would like to see an example of a fully-reconciled bank statement.
8	Bank accounts are accurately reconciled on a monthly basis. Documentary evidence exists to show the dates the monthly bank reconciliations were prepared, and who prepared, reviewed and approved them, with corresponding signatures affixed. <i>[Note: This includes credible financial management records sufficient for internal and external audit trail purposes.]</i>								
9	Policies stipulate <u>sound</u> requirements covering regular bank reconciliation. <u>Appropriate</u> action is taken on any outstanding item over 60 days.								
10	Average Score								
11									

	A	B	C	D	E	F	G	H	I
12		Confirm that the organization has an accounting/ bookkeeping system, and that financial transactions are entered into the system on a consistent basis in accordance with applicable standards, policies and procedures. <i>Note: For very small organizations and awards, a manual (handwritten in books) double entry accounting system may be acceptable provided it is established and used regularly and consistently in accordance with acceptable accounting principles, standards, policies, procedures, and practices and is regularly kept up-to-date, reconciled and reviewed by appropriately trained, experienced, and otherwise competent personnel.</i>	10	Organization <u>does not</u> have an adequate accounting/ bookkeeping system.		Organization's accounting/ bookkeeping system is weak. Financial transactions are not entered into the system on a regular or consistent basis. The bookkeeping system lacks some functionality to automatically reconcile summaries of transactions to the detailed transactions.		Organization has an <u>adequate</u> double entry accounting/ bookkeeping system. Financial transactions are entered into the system on a regular basis. The bookkeeping system has some functionality to automatically reconcile subsidiary ledgers to the main ledger.	
13									
14		2.3 Chart of Accounts, General Ledger and Financial Statements							
15		Confirm that the organization has a chart of accounts and corresponding General Ledger that are used to prepare financial statements on a regular and consistent basis. <i>[Note: Request the Chart of Accounts to perform a detailed review to ensure that the organization has a logical sequence of accounts, assets, liabilities and owners' equity. Confirm there is a code to capture "unallowable" costs.]</i>	11	Organization <u>does not</u> have a chart of accounts or General Ledger or those are not adequate for purposes of the award.		Organization has an incomplete and otherwise <u>weak</u> chart of accounts and General Ledger.		Organization has a chart of accounts and corresponding General Ledger that is <u>adequate</u> .	
16				The General Ledger numbering system does not follow applicable statutory country requirements (if any). Material financial transactions are not recorded regularly and consistently in accordance with approved accounting standards.		The General Ledger numbering system does not follow all applicable statutory country requirements (if any). Material financial transactions are not recorded regularly and consistently in accordance with approved standards.		The General Ledger numbering system follows statutory country requirements (if any) in all material respects. Material financial transactions are recorded regularly and consistently in accordance with approved and otherwise adequate accounting standards, principles and practices.	
17				Financial Statements are not produced, or if produced, are not derived from the General Ledger (trial balance) in accordance with acceptable accounting standards.		Financial Statements are not derived from the General Ledger (trial balance) in an acceptable manner. Financial Statements are not prepared on a consistent basis in accordance with approved accounting standards.		Financial Statements are derived from the General Ledger (trial balance) in an adequate manner. Financial Statements are prepared in accordance with national standards.	
18									
19		2.4 Variance Analysis (Budget to Actual Cost)							

	J	K	L	M	N	O	P	Q	R
12	Organization has a <u>reliable</u> double entry accounting/ bookkeeping system that meets its needs and is otherwise appropriate. Financial transactions are entered into the system on a daily basis. The bookkeeping system has functionalities to automatically reconcile subsidiary ledger to the main ledger.								
13	Score								
14									
15	Organization has a chart of accounts and corresponding General Ledger that meet its needs and are otherwise <u>appropriate</u> .								
16	The General Ledger numbering system follows statutory country requirements (if any) with no exceptions. All financial transactions are recorded regularly and consistently in accordance with approved and otherwise appropriate accounting standards, principles and practices.								
17	Financial Statements are regularly and consistently derived from the General Ledger (trial balance). Financial statements are prepared in accordance with applicable national and international standards.								
18	Average Score								
19									

	A	B	C	D	E	F	G	H	I
20		Confirm that the organization has adequate policies, procedures and practices in place to ensure regular variance analysis (budget to actual cost) of program and operating financial data.	14	Organization <u>does not have</u> any or adequate systems to analyze actual data versus budget data.		Financial reports are accompanied by <u>incomplete</u> or otherwise weak budget data and variance analysis (budget to actual cost) reports.		<u>Adequate</u> financial reports are accompanied by budget data and variance analysis (budget to actual cost) reports.	
21				Management is unable to articulate the necessity of variance analysis or to institutionalize the process.		Program managers <u>do not have</u> the necessary knowledge, skills, and abilities to objectively review the reports and take corrective action.		Program managers <u>generally</u> review financial reports and take corrective action.	
22				Overall, the organization <u>does not have</u> adequate policies, procedures and practices in place.		The organization's policies, procedures and practices for variance analysis are <u>weak</u> .		The organization has <u>adequate</u> policies, procedures and practices in place for adequate variance analysis (budget to actual cost) of program and operating financial data.	
23									
24		2.5 Allowable and Unallowable Cost							
25		Confirm that the organization has adequate policies, procedures and practices in place to segregate allowable and unallowable and to otherwise satisfy donor requirements. <i>[Note: The system can be as simple as a spreadsheet.]</i>	17	Organization's finance personnel or management <u>do not have an</u> adequate understanding or are unable to articulate the concepts surrounding allowable or unallowable cost.		Organization finance/program personnel have <u>weak</u> understanding of the concept of allowable and unallowable costs from a donor restriction perspective.		Organization finance/program personnel have an <u>adequate</u> level of understanding of the concept of allowable and unallowable costs from a donor restriction perspective.	
26				Organization does not have adequate policies, procedures and practices in place to segregate allowable and unallowable cost nor to otherwise satisfy other donor requirements.		The ability of the organization to track unallowable cost is <u>weak</u> .		Organization has an <u>adequate</u> system (formal or informal) to adequately track unallowable cost.	
27									
28		2.6 Direct and Indirect Costs							
29		Confirm that the organization's accountants/bookkeepers have an understanding of direct costs and indirect costs (including cost allocation principles).	18	Organization's accountants/bookkeepers <u>do not understand</u> direct costs, indirect costs or cost allocation principles.		Organization's accountants/bookkeepers have a <u>weak</u> understanding of direct costs, indirect costs and cost allocation principles.		Organization's accountants/bookkeepers have an <u>adequate</u> understanding of direct costs, indirect costs and cost allocation principles.	
30				Organization's accounting records are maintained by personnel with negligible knowledge about direct and indirect costs.		Organization's accountants/bookkeepers have a <u>weak</u> understanding of the concept of "cost objectives" in relation to intermediate and final "cost objectives."		Organization's accountants/bookkeepers have an <u>adequate</u> understanding of the concept of "cost objectives" in relation to intermediate and final "cost objectives."	

	J	K	L	M	N	O	P	Q	R
20	<u>Appropriate</u> financial reports are accompanied by budget data and variance analysis (budget to actual cost) reports.								
21	Program managers <u>consistently</u> review financial reports and take corrective action.								
22	The organization has <u>appropriate</u> policies, procedures and practices in place to ensure appropriate regular variance analysis (budget to actual cost) of program and operating financial data.								
23	Average Score								
24									
25	Organization finance/program personnel have an <u>appropriate</u> level of understanding of the concept of allowable and unallowable costs from a donor restriction perspective.								
26	Organization has an <u>appropriate</u> system to track unallowable cost. Organization has <u>effective</u> policies, procedures and practices in place to ensure clear lines of communication between finance and program staff relative to allowable and unallowable cost.								
27	Average Score								
28									
29	Organization's accountants/bookkeepers have an <u>appropriate</u> understanding of direct costs, indirect costs and <u>cost allocation principles</u> .								
30	Organization's accountants/bookkeepers have an <u>appropriate</u> understanding of the concept of "cost objectives" in relation to intermediate and final "cost objectives."								

	A	B	C	D	E	F	G	H	I
31				The overall capacity of the organization's accountants/bookkeepers to accurately allocate indirect cost to grants, projects, and other cost objectives according to causal beneficial relationships is <u>negligible</u> .		Organization's accountants/bookkeepers ability to accurately allocate indirect cost to grants, projects, and other cost objectives according to causal beneficial relationships is <u>weak</u> .		Organization's accountants/bookkeepers can accurately allocate indirect cost to grants, projects, and other cost objectives according to causal beneficial relationships.	
32				The organization <u>lacks the ability</u> to develop or acquire the minimum acceptable level of capacity in accumulating direct and indirect costs by project.		Organization's capacity to accumulate direct and indirect costs by project in an acceptable manner is <u>weak</u> .		Organization has <u>adequate</u> capacity to accumulate direct and indirect costs by project.	
33									
34		2.7 Payments - Segregation of Duties							
35		Confirm that the organization has policies, procedures and practices in place regarding segregation of duties to ensure that funds above a certain threshold can only be disbursed with dual signatures and are supported by documentation.	7	There are Deficiencies and SW in the payments cycle that lack proper segregation of duties.		Payments are <u>not supported</u> by complete documentation (e.g. missing vendor invoices).		Payments are supported by adequate documentation. Policies, procedures and practices may fall short of best practices.	
36				Written policies and procedures do not exist, or those that do, are clearly inadequate.		Adequate written financial practices (e.g. internal controls and audit) are absent or deficient.		Approved policies and procedures are <u>generally</u> followed.	
37									
38		2.8 Accounting Cycle - Segregation of Duties							
39		Confirm that the organization has adequate policies, procedures and practices in place to ensure proper segregation of duties associated with the accounting cycle. <i>[Note: The adequacy of segregation of duties will vary according to the size of the organization and complexity of its operation.]</i>	9	Organization does <u>not have the minimum</u> acceptable set of policies, procedures and practices to ensure proper segregation of duties in relation to the management and disbursement of funds.		The organization does <u>not have adequate</u> policies, procedures and practices in place for purposes of the award to ensure proper segregation of duties associated with the accounting cycle. Funds are disbursed without prior approvals and documentation is inadequate.		Organization has an <u>adequate</u> delegation of authority system to ensure that no one person does all the work relating to a full accounting cycle transaction. Approval is usually obtained prior to disbursement of funds and approvals are adequately documented.	
40									
41		2.9 Financial Records Management							
42		Confirm that the organization has adequate policies, procedures and practices in place to ensure proper filing and management of financial records and their ease of access.	15	Organization does <u>not have</u> adequate policies, procedures and practices in place to ensure proper filing and management of financial records and their ease of access.		Organization has <u>incomplete</u> and relatively weak policies, procedures and practices to safeguard financial records. <i>[The filing system operates on an ad-hoc, informal basis.]</i>		Organization has <u>adequate</u> policies, procedures and practices in place to safeguard important documents including financial records. <i>[The filing system is not necessarily centralized or optimal.]</i>	

	J	K	L	M	N	O	P	Q	R
31	Organization's accountants/ bookkeepers have the <u>requisite level</u> of knowledge, skills and experience in this area to accurately allocate indirect cost to grants, projects, and other cost objectives according to causal <u>beneficial relationships</u> .								
32	Organization's skill in accumulating direct and indirect costs by project in an appropriate manner is <u>strong</u> .								
33	Average Score								
34									
35	There are well thought out and documented policies, procedures and practices that safeguard the payment process.								
36	Approved policies and procedures are <u>consistently</u> followed.								
37	Average Score								
38									
39	Organization has a <u>sound and well documented</u> delegation of authority system appropriate to the size of the organization to ensure that no one person does all the work relating to a full accounting cycle transaction. Organization has sound policies, procedures and practices to ensure that all approvals are documented prior to cash disbursements.								
40	Score								
41									
42	Organization has sound policies, procedures and practices in place to safeguard important documents including financial records. <i>[This includes offsite storage of copies of financial records.]</i>								

	A	B	C	D	E	F	G	H	I
43				Organization has no contingency plan that includes procedures for backup/recovery of financial data for financial and operational continuity.		Management does not require filing and records management practices. Organization has a weak contingency plan that has significant gaps in procedures for backup/recovery of financial data for financial and operational continuity.		Management supports adequate filing and records management practices throughout the organization. Organization has an adequate contingency plan in place for financial and operational continuity.	
44									
45		2.10 Sources of Funding							
46		Confirm that the organization has other activities/programs and/or potential sources of funding adequate for continuity of operations during the period of the award and for long term sustainability. <i>[Note: This system can be as simple as having a separate bank account for each funding source.]</i>	16	Organization <u>does not</u> have procedures in place to track sources of funding and lacks the capacity to develop and implement such procedures within a reasonable timeframe.		Organization <u>does not</u> have a system in place to track sources of funding. Organization's bookkeeping system tracks sources of funding through one revenue account.		Organization tracks the sources of funding through offline records. Organization's accounting/bookkeeping system <u>adequately</u> tracks sources of funding.	
47				The level of professional knowledge, skills and experience of finance personnel in job cost accounting, fund accounting, etc. is <u>negligible</u> .		The level of professional knowledge, skills and experience of finance personnel in job cost accounting, fund accounting, etc. is <u>weak</u> .		Finance personnel have an <u>adequate</u> level of professional knowledge, skills and experience in job cost accounting, fund accounting, etc.	
48				Organization has <u>insufficient</u> sources of funding from other activities /programs and/or from other alternative potential sources of funding.		Organization has <u>weak</u> sources of funding from other activities /programs. Organization has weak business development practices in place.		Organization has <u>adequate</u> sources of funding from other activities /programs and/or from other potential sources of funding. Management articulates the importance diversification of sources of funding. Organization has adequate practices in place for business development and it has a satisfactory reputation for satisfactory work.	
49									
50		2.11 Financial Reporting							
51		Confirm that the organization has adequate written policies, procedures and practices in place to produce reliable monthly and year-to-date financial statements (income and expenditure report and balance sheet).	12	Organization <u>does not</u> have the minimum acceptable set of written policies, procedures and practices in place to produce reliable monthly financial statements (income and expenditure report).		Financial statements are seldom reviewed by management. Management seldom takes corrective actions based its review of financial statements.		Organization produces reasonably <u>adequate</u> financial statements on a regular basis that meet the needs of the organization. Financial statements are reviewed by management. Management <u>generally</u> takes corrective actions based on its review of financial statements.	
52									
53		2.12 Audit and Review of Financial Statements							

	J	K	L	M	N	O	P	Q	R
43	Management emphasizes and supports <u>standard</u> , practical, efficient and effective filing and records management practices. Organization has a contingency plan for the organization that includes procedures for backup/recovery for financial and operational continuity.								
44	Average Score								
45									
46	Organization has an <u>effective</u> system in place to track sources of funding.								
47	Finance personnel have an <u>appropriate</u> level of professional knowledge, skills and experience in job cost accounting, fund accounting, etc.								
48	Organization has good sources of funding from other activities/programs and/or from other potential sources of funding. Management clearly <u>articulates</u> the importance of diversification of sources of funding. Organization has good practices in place for business development and has a reputation for good work.								
49	Average Score								
50									
51	Organization consistently and accurately produces <u>reliable</u> monthly financial statements from the General Ledger in accordance with its written procedures. The financial statements are reviewed by organization's management and corrective actions are taken when necessary.								
52	Score								
53									

	A	B	C	D	E	F	G	H	I
54		Confirm that the organization has adequate policies, procedures and practices in place to ensure that its financial statements are audited or reviewed on a regular basis by a third party recognized under the laws of the country such as a chartered accounting firm or regulatory body or both.	13	Financial statements are <u>not usually</u> audited or reviewed.		Organization has incomplete and otherwise weak policies, procedures and practices in place. Financial statements are <u>seldom</u> audited or reviewed on a regular basis by a third party recognized under the laws of the country.		Organization has adequate policies, procedures and practices in place. Its financial statements are audited or reviewed on a regular basis by a third party recognized under the laws of the country.	
55				Organization produces internal financial statements with limited or no Notes to the Financial Statements.		Organization has received a Qualified Opinion, Adverse Opinion, or Disclaimer of Opinion.		When financial statements are audited, a Qualified Opinion is acceptable as long as the audit issues raised are not material to financial management and pose either no or very low fiduciary or performance risk.	
56				If Financial Statements were to be audited, an audit firm would be unable to issue an opinion due to the quality of the financial records. If audited, Organization would most likely receive, a Qualified Opinion, Adverse Opinion, or Disclaimer of Opinion. An auditor, accountant, regulatory body or other third party has communicated a "Deficiency" or "Significant Deficiency" in internal control that cannot be easily remedied.		An auditor, accountant, regulatory body or other third party has communicated a "Deficiency" or "Significant Deficiency" in internal control. Management is unable to represent that no Deficiency or Significant Deficiency in internal control presently exists.		An auditor, accountant, regulatory body or other third party has communicated any "Deficiency" or "Significant Deficiency" in internal control. Management was able to represent that no Deficiency of Significant Deficiency in internal control presently exist.	
57				Review of the financial statements reveals "Going Concern Issues."		Organization's policies, procedures and practices for managing and closing audit findings and recommendations are weak.		Organization has adequate policies, procedures and practices in place for managing and closing audit findings and recommendations.	
58									
59		2.13 Financial Management Personnel							
60		Confirm that the individuals responsible for discharging accounting and other financial management functions within the organization have the requisite accounting and other financial management qualifications and experience.	8	The day-to-day financial management is done by a person with neither formal accounting training nor finance related experience.		The accountant/ bookkeeper is <u>not professionally</u> trained as an accountant and has a limited understanding of management and financial accounting standards, principles and practices.		The accountant/ bookkeeper is <u>adequately</u> trained and has adequate qualifications and experience.	

	J	K	L	M	N	O	P	Q	R
54	Organization has appropriate policies, procedures and practices in place. Its financial statements are audited <u>annually</u> by a third party recognized under the laws of the country.								
55	Audited financial statements receive an unqualified (unmodified) audit opinion (no Qualified Opinion, Adverse Opinion, or Disclaimer of Opinion).								
56	No auditor, accountant, regulatory body or other third party has communicated any "Deficiency" or "Significant Deficiency" in internal control.								
57	Organization has appropriate policies, procedures and practices in place for managing and closing audit findings and recommendations.								
58	Average Score								
59									
60	The accountant/ bookkeeper has <u>professional</u> accounting qualifications that clearly meet the needs of the organization.								

	A	B	C	D	E	F	G	H	I
61				The individuals responsible for discharging accounting and financial management functions <u>do not have the minimum</u> acceptable level of qualifications and experience needed.		The accountant/ bookkeeper is unable to articulate and apply important concepts, principles and practices and lacks the technical capacity to prepare and monitor operational and project budgets.		The accountant/ bookkeeper is able to articulate and apply basic concepts, principles and practices of management and financial accounting and reporting. The accountant/ bookkeeper has <u>adequate</u> capacity to prepare and monitor budgets including adequate cash flow projections and statements.	
62									
63	Average Score for FINANCIAL MANAGEMENT A								

	J	K	L	M	N	O	P	Q	R
61	The accountant/ bookkeeper has strong ability to apply concepts, principles and practices of management and financial accounting and reporting. The accountant/ bookkeeper has <u>strong</u> technical capacity and experience to prepare and monitor appropriate budgets including cash flow projections and statements.								
62	Average Score								
63	ND INTERNAL CONTROL SYSTEMS								

	A	B	C	D	E	F	G	H	I
1		Capacity and Risk Areas to Review		SCORING					
2				1		2		3	
3			No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award		WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award		ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award	
4				High Risk		Moderate to High Risk		Low to Moderate Risk	

	J	K	L	M	N	O	P	Q	R
1									
2	4 (Highest Score)								
3	STRONG CAPACITY No Deficiencies or SW			SCORE Based On:				Doc. Ref	REMARKS/ RECOMMENDATIONS
4	Low Risk			Desk Review	Virtual site visit	Obsn.	Test		
	SCORE								

	A	B	C	D	E	F	G	H	I
5	Third Criterion: PROCUREMENT SYSTEMS								
6	3.1	Procurement Policies, Procedures and Practices							
7		Confirm that the organization has procurement policies, procedures and practices in place that are adequate. <i>[Note: Procurement policies, procedures and practices include those relating to processes for purchasing, resolving and settling disputes and claims; safeguards and controls over assets; and related records management.]</i>	19	Organization has no or <u>highly inadequate</u> procurement policies, procedures and practices.		Organization has less than adequate procurement policies and procedures and practices. In some cases, they are incomplete or otherwise <u>inadequate</u> .		Organization has <u>adequate</u> procurement policies, procedures and practices in place that are generally appropriate given the country conditions. Any minor exceptions are easily remediable.	
8				Staff has not received any or sufficient training in this area. Management has not emphasized the importance of this area.		Organization's procurement policies, procedures and practices are not well known to staff and are <u>not consistently followed</u> . Staff needs additional training, and management needs to emphasize the importance of procurement procedures.		Organization's procurement policies, procedures and practices are known to staff and are <u>generally adhered to</u> .	
9									
10	3.3	Compliance with Policies and Procedures – Reasonableness of Price							
11		Confirm that the organization complies with its own policies and procedures for how determinations of reasonableness are made for purchases and who in the organization is responsible.	21	Organization has <u>no</u> policies and procedures for how determinations of reasonableness are made for purchases and who in the organization is responsible.		Organization has <u>informal</u> policies and procedures for how determinations of reasonableness are made for purchases and who in the organization is responsible.		Organization has <u>adequate</u> policies and procedures that cover competitive procedures, how determinations of reasonableness are to be made, and who is responsible for purchases.	
12				Little or no supporting documentation exists to verify that competitive procedures are used or that determinations of reasonableness are made in an acceptable manner.		Supporting documentation to verify compliance is incomplete or otherwise <u>weak</u> .		<u>Adequate</u> supporting documentation exists to verify compliance.	
13									
14	3.2	Procurement and Sub-awards							

	J	K	L	M	N	O	P	Q	R
5									
6									
7	Organization <u>complete</u> and well documented procurement policies, procedures and practices that are appropriate to the country conditions.		3.90	3.80	4.00			Operat	Procurement procedures are robust (bordering on cumbersome) and clearly stated in the Operations Manual; varying levels of review and approval are required based on the value of the acquisition using a tiered structure. Multiple individuals and committees (ad hoc evaluation committee, contracts committee) are involved in the process, with clearly delineated roles and responsibilities.
8	Organization's procurement policies, procedures and practices are known and understood by trained staff and are <u>consistently adhered to</u> , reviewed and updated as necessary.		3.50	3.00	4.00			Operat	New staff are oriented on OHCEA's policies, including procurement. Each employee receives a copy of the manuals and signs an acknowledgement that they have read and understand them. Irene S. and Sarah are clearly very well versed in the procurement procedures and requirements.
9	Average Score		3.70						
10									
11	Organization has well thought out, well documented, and <u>effective</u> policies and procedures that require competitive procedures and dictate how determinations of reasonableness are to be made and specify who is responsible for purchases.		3.80	3.50	3.80				Criteria for decision making is well-defined, though language specifically addressing how to determine if a cost is "reasonable" is not included in the document itself.
12	<u>Complete</u> and accurate supporting documentation exists to verify compliance.		3.80	3.00	4.00				OHCEA uploaded the requested examples of procurement transactions to Box. Review confirmed that files are thorough and complete. Overall, very well done and consistent with procedures outlines in the OHCEA manual.
13	Average Score		3.80						
14									

	A	B	C	D	E	F	G	H	I
15		Confirm that the organization has adequate policies, procedures and practices in place for procurement and sub-award processes using arm's length bargaining.	20	Organization <u>does not have</u> adequate procurement and sub-award management policies, procedures and practices in place.		Organization has <u>incomplete</u> and relatively weak policies and procedure covering sub-grant awards and management.		Organization has <u>adequate</u> policies and procedures that are adequately communicated and generally effective.	
16				There are <u>no</u> effective policies and procedures to prevent or detect conflicts of interest.		Policies, procedures and practices are <u>inappropriate</u> and may lend themselves to potential conflicts of interest and actions that are not in the best interests of the organization.		Employees are expected to avoid conflicts of interests and achieve value for money in this area, by acting in a manner consistent with the best interests of the organization.	
17				Training, mentoring and oversight is negligible.		Formal training in this area is non-existent or <u>weak</u> .		Employees have been trained and <u>generally</u> follow policies and procedures.	
18									
19	Average Score								
20									

	J	K	L	M	N	O	P	Q	R
15	Organization has <u>well documented and communicated</u> policies and procedures that are effective in practice, guiding appropriate sub-grant awards and management.		1.0	1.00	1.00			Operat	<p>OHCEA acknowledges and identifies as something they want to address.</p> <p>During OHW-OG, OHCEA utilized MOUs to formalize partnerships with member universities hosting country chapter secretariats. An example of the MOU document used was thoroughly reviewed and found to be similar in structure to a subaward but insufficient, as key information required by 2 CFR 200 was missing, and the required flow-down provisions from the prime award were not included. While the MOU document doesn't mention any specific dollar amounts in terms of funds obligated, it does refer to monthly cost projections (which must be extracted from approved budgets only) upon which fund transfers will be made, which is very similar to how our advance payment subawards work at UC Davis. The country secretariat is then required to report back actual costs with supporting documentation, which is good, but also in line with a subaward model. There is not a specific scope of work incorporated into the award, though it does refer to the purpose of the agreement being "to establish a framework for the flow down of funding and accountability for the implementation of activities funded through different donors," which is exactly the purpose of a subaward. I think it is interesting that they do not refer to USAID or the USAID prime agreement at all in the document, which is presumably the primary (or possibly only) source of funding. It has very specific and restrictive requirements for financial management and the accounting of funds to OHCEA/AFROHUN, as well as language regarding audit requirements, termination, misappropriation, duration, etc. The lack of flow downs is problematic and will need to be</p>
16	Organization's policies, procedures and practices in this area reflect arm's length bargaining principles and avoid the potential for conflicts of interest.		4.0	4.00	4.00			Operat	<p>The importance of open competition, avoidance of conflict of interest, and ethical conduct of those involved in the procurement process is adequately conveyed.</p>
17	Employees are well trained and consistently follow the organization's policies and procedures.		3.4	3.00	3.80			Operat	<p>New staff are oriented on OHCEA's policies, including procurement. Each employee receives a copy of the manuals and signs an acknowledgement that they have read and understand them.</p>
18	Average Score		2.80						
19	for PROCUREMENT SYSTEMS		3.43						
20									

	A	B	C	D	E	F	G	H	I
1	Capacity and Risk Areas to Review			SCORING					
2			1		2		3		
			INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award		WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award		ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award		
3			No.						
4			High Risk		Moderate to High Risk		Low to Moderate Risk		
5	Fourth Criterion: HUMAN RESOURCES SYSTEMS								
6	4.1 Overall HR Policies and Procedures								
7		Confirm that organization has and follows HR policies, procedures and practices. <i>[Note: Depending on the size and needs of the organization, typical HR policies will cover the hiring, promotion and recognition, retention, retirement, compensation and benefits, supervision, transfer and termination of employees.]</i>	22	Organization <u>does not have</u> HR policies, procedures and practices (formal or informal) that satisfy its minimum level of needs and those that do exist are clearly inadequate.		Organization has <u>weak</u> HR policies, procedures and practices that fail to satisfy all of its key needs and are otherwise not adequate.		Organization has HR policies, procedures and practices that meet its needs and are <u>adequate</u>	
8				Organization's approach to hiring, promotion and recognition, retention, retirement, compensation and benefits, supervision, transfer and termination of employees is ad hoc, following no discernible guidelines. Organization has no organizational chart or written job descriptions; no standard benefits / compensation practices; and no discernible policies and practices outlining roles and responsibilities and delegations of authority.		There are <u>serious gaps</u> in the organization's HR policies and practices including those related to the collection, management, use and storage of HR information. Organization lacks a reasonably complete organizational chart, up-to-date written position descriptions, a benefits/ compensation plan, and reasonably adequate policies and practices outlining roles and responsibilities and delegations of authority.		Organization has an organizational chart and written job descriptions; adequate benefits/ compensation practices; and adequate policies and practices outlining roles and responsibilities and delegations of authority.	
9									
10	4.2 Staff Time Management								
11		Confirm that the organization has an established, reliable and documented labor activity system that it enforces (i.e., timesheets).	24	Organization <u>does not have</u> an established and appropriately documented labor activity system.		Organization has <u>weak</u> labor activity policies, procedures and practices.		Organization has an <u>adequate</u> labor activity system that adequately captures, allocates and reports labor time, activities and costs.	
12				Employees do not provide, sign or written timesheets/activity reports that reflect actual time worked on all projects as well as indirect activities.		Timesheets/activity reports are often based on rough <u>estimates</u> of work hours rather than actual, verifiable data.		Employees provide written timesheets/ activity reports that reflect actual time worked on all projects as well as indirect activities.	

	J	K	L	M	N	O	P	Q	R
1									
2	4 (Highest Score)								
3	STRONG CAPACITY No Deficiencies or SW		SCORE	SCORE Based On:				Doc. Ref	REMARKS/ RECOMMENDATIONS
4	Low Risk			Desk Review	Virtu al Site Visit	Obsn.	Test		
5									
6									
7	Organization has comprehensive, well thought out, well documented, and <u>effective</u> HR policies, procedures and practices that meets its needs and reflect best practices.		3.00	3.00	3	N/A	N/A	Huma	Solid and effective HR policies exist, and the staff appears - at least according to th virtual site visit - to know them, understand them, and use them for operational purposes.
8	Strong approaches for retaining competent staff are reviewed by management and modified to ensure effectiveness. Organization has an up-to-date and complete organizational chart and written job descriptions for all key employees; a formal benefits/compensation plan and practices that meet its needs; and sound policies and practices outlining roles and responsibilities and delegations of authority.		3.00	3.00	3	N/A	N/A	Huma	Per the earlier consultant report, it would be best to create and maintain a budget and policy for staff training
9	Average Score		3.00						
10									
11	Organization has a <u>strong</u> , comprehensive, well documented, and regularly and consistently used labor activity system that properly captures, allocates and reports labor time, activities and costs.		3.00	3.00	3	N/A	N/A	Huma	Paper time sheets may be the most effective given AFROHUN operations; however, electronic time sheets would be preferable as the organization gets larger
12	Employees <u>maintain</u> written timesheets/ activity reports that reflect actual time worked on all projects as well as indirect activities.		3.00	3.00	3	N/A	N/A	OHCE	Seems like it; hard to know exactly what maintain means here - the employees themselves keep files of timecards?

	A	B	C	D	E	F	G	H	I
13				Timesheets/activity reports are often based on rough <u>estimates</u> or plug figures.	Timesheets/activity reports are <u>not consistently</u> completed nor verified and approved by supervisors.	Timesheets/activity reports are <u>not consistently</u> signed and approved by supervisors.			
14				Labor costs are distributed among projects based on unreliable estimates.	Labor costs are distributed among projects and indirect activities based on budget <u>estimates</u> or other rough estimates of work hours.	Labor costs are <u>generally</u> distributed among projects and indirect activities based on the data derived from the timesheets/activity reports.			
15				Payment of salaries and wages does not consistently correspond to verifiable information provided by employees.	Payment of salaries and wages does not consistently correspond to verifiable information derived from timesheets/activity reports.	Payment of salaries and wages generally corresponds to the information documented. Errors or omissions are few or not material.			
16									
17		4.3 Payroll System							
18		Confirm that the organization has a payroll system that is adequate for purposes of the award. <i>[Note: The payroll system can be either electronic or hard copy.]</i>	23	Organization <u>does not have</u> a payroll system (either in electronic or hard copy format).	Organization has an <u>incomplete</u> and otherwise weak payroll system.	Organization has an <u>adequate</u> payroll system that meets it key needs.			
19				Organization disburses pay to employees on an irregular basis. Payroll records are incomplete, and are otherwise not reliable.	Payroll records often contain errors. Payroll is infrequently reconciled to the General Ledger.	Payroll is <u>regularly</u> reconciled to the General Ledger.			
20				Payroll is <u>seldom</u> , if ever, reconciled to the General Ledger. Organization has no discernible policy or standard acceptable practices on compensation (salary scales and increases) and benefits for the different types and levels of employees.	Organization has <u>less than an adequate</u> documented and followed policy on compensation (scales and increases) and benefits for the different types and levels of employees.	Organization has and uses an <u>adequate</u> policy on compensation (salary scales and increases) and benefits for the different types and levels of employees.			
21									
22		4.4 Travel Policies and Procedures							

	J	K	L	M	N	O	P	Q	R
13	Timesheets/activity reports are signed/certified and approved by supervisors.		3.25	3.00	3.5	N/A	N/A	OHCE	Consistently signed and approved.
14	Labor costs are accurately distributed among projects and indirect activities based on the data derived from the timesheets/activity reports.		2.75	3.00	2.5	N/A	N/A	OHCE	Having only seen January time cards, and no specific OHW-NG activities were taking place (e.g. trainings) of which I am aware, it is hard to say how granular an individual time sheet gets for activity tracking. As USAID views all data as good data, it is probably best to move to a system of activity reporting on timesheets so that in NUPAS 2, AFROHUN can show the ease with which budget tracking on a per-person basis can take place.
15	Payment of salaries and wages corresponds to the information documented in the timesheets/activity reports.		3.00	3.00	3	N/A	N/A	Finan	No discrepancies found in virtual site visit.
16	Average Score		3.00						
17									
18	Organization has a well thought out, well documented, and effective payroll system (either in electronic or hard copy format) founded on sound payroll policies and procedures that are consistently followed.		3.00	3.00	3	N/A	N/A	Finan	Main concern is that payroll system is manual,
19	Payroll is accurately reconciled to the General Ledger at least monthly.		3.25	3.00	3.5	N/A	N/A	Finan	From everything I see, payroll is accurately reconciled at least monthly.
20	Organization has and uses an appropriate and well documented policy on compensation (salary scales and increases) and benefits for the different types and levels of employees.		3.25	3.00	3.5	N/A	N/A	Huma	Policy seems fine and is in use.
21	Average Score		3.17						
22									

	A	B	C	D	E	F	G	H	I
23		Confirm that the organization has and follows appropriate travel policies and procedures.	25	Organization does not have adequate travel policies, procedures and practices.		Organization has <u>incomplete</u> travel policies and procedures.		Organization has travel policies and procedures that are <u>adequate</u> .	
24				Practices are <u>inconsistent</u> and made on an ad hoc basis.		Acceptable travel policies and procedures are <u>not consistently</u> followed in practice by management or other employees.		Travel policies and procedures are <u>generally followed</u> in practice by management or other employees.	
25				Recordkeeping for compliance and other control and verification purposes is <u>inadequate</u> .		Records to verify compliance are <u>incomplete</u> and otherwise weak.		Records are kept to verify compliance.	
26									
27	Average Score								

	J	K	L	M	N	O	P	Q	R
23	Organization has complete documented travel policies and procedures.		3.65	3.50	3.8	N/A	N/A	Opera	<p>Travel policies are described in adequate detail and forms/templates developed to facilitate required approvals and processing of advances and reimbursements for work-related travel.</p> <p>Per diem rates are noted as being determined by the Board of Directors but are not specified or otherwise incorporated by reference into the travel policy section of the Financial Manual.</p> <p><i>***OHCEA confirmed that current per diem rates used approved by the Board of Directors and are the GSA rates used for USAID funds. As per section 5 page 38 of OHCEA Operations Manual, which reads in part "When travel is required, it is the responsibility of OHCEA staff or intermittent employees to incur travel costs at the least possible expense. Travel arrangements should be made through OHCEA's administration (the Regional or Country Secretariat) and must comply with the regulations of the related funding agency (USAID, World Bank, ADB etc.) as appropriate". Its upon this that OHCEA follows USAID per diem rates.</i></p> <p>The Operations Manual refers to "facilitation" for OHCEA meetings being governed by the Financial Manual guidelines, but I was unable to locate anything specific with regard to payment of such costs. Payment of facilitation costs in Uganda is not allowed per guidance from USAID, nor is payment of participation costs (meals, lodging, travel) on behalf of or directly to Government of Uganda employees (including publically-funded universities). The LDPG guidance is not referenced. The manual is dated 2017, so an update is probably due.</p>
24	Management emphasizes the importance of adherence to approved travel policies and leads by example.		3.65	3.50	3.8	N/A	N/A	Opera	<p>Management adheres to travel policies and ensure staff do the same.</p>
25	Travel policies and procedures are understood by staff and are consistently adhered to, reviewed and monitored for compliance.		3.40	3.00	3.8	N/A	N/A	Opera	<p>New staff are oriented on OHCEA's policies, including travel. Each employee receives a copy of the manuals and signs an acknowledgement that they have read and understand them.</p>
26	Average Score		3.57						
27	for HUMAN RESOURCES SYSTEMS		3.24						

	A	B	C	D	E	F	G	H	I	J
1	Capacity and Risk Areas to Review		No.	SCORING						
2				1	2	3	4 (Highest Score)			
3				INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award	WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award	ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award	STRONG CAPACITY No Deficiencies or SW			
4				High Risk	Moderate to High Risk	Low to Moderate Risk	Low Risk			

	K	L	M	N	O	P	Q	R
1								
2								
3		SCORE	SCORE Based On:				Doc. Ref	Rationale
4		E	Desk Review	Inquiry	Obsn.	Test		

	S
1	
2	
3	Recommendations
4	

	A	B	C	D	E	F	G	H	I	J
5	Fifth Criterion: PROGRAM PERFORMANCE MANAGEMENT									
6	5.2 Project Management Capacity									
7		Confirm that the organization has adequate capacity to manage and monitor projects with little donor guidance or intervention.	27	Organization has an <u>inadequate</u> project management system.		Organization has a <u>weak</u> project management system for monitoring progress on projects. Organization's project management policies, procedures and practices are weak. Organization produces reasonably adequate project management reports.		Organization has an <u>adequate</u> project management system in place to monitor progress on projects on a regular basis. Organization's project management policies and procedures are generally followed. Organization produces adequate project management reports on a fairly regular basis.		Organization has a <u>comprehensive</u> and well documented project management system in place to monitor progress on projects on a regular basis. Organization consistently produces useful project management reports.
8				Organization <u>does not have</u> sufficiently qualified project management personnel.		Organization has an <u>incomplete</u> project management manual that is seldom used. Organization has too few qualified project managers for its overall purposes.		Organization has an adequate project management manual that is generally followed. Organization has an adequate number of qualified project managers.		Organization has a <u>comprehensive</u> project management manual that informs and guides actual performance. Organization has a sufficient number of qualified project managers to meet its needs and the capacity to obtain additional qualified personnel as needed.
9										Average Score
10	Average Score for PROJECT PERFORMANCE MANAGEMENT									
11										
12										

	K	L	M	N	O	P	Q	R
5								
6								
7			3.00	3.5			Virtual site interview with team.	<p>1. Since they are funded by one source only they follow that source reporting standard. Thus they do not use PMI or any other project management standard (interview observation).</p> <p>2. Organization has a well developed project report and monitoring process. Orgonigram shows a well developed institutional set up.</p> <p>3. Personnel has enought skills to carry out reporting activities.</p> <p>4. As indicated in the interviews, AFROHUN reporting mechanism would have to receive more support (more personel) should the networks engage with more partners/projects</p>
8			3.00	3.5			Virtual site interview with team.	<p>1. AFROHUN has a project management manual in place.</p> <p>2. There is qualified personnel for the projects, although we are unsure if there is the need to increase the number of project managers (follow-up question not replied by AFROHUN).</p> <p>3. Countries follow the procedures included in the Manual.</p>
9	ore							
10	ENT							
11								
12								

	S
5	
6	
7	<p>1. Should AFROHUN diversify its funding sources a more generalized monitoring reporting standard should be adopted. This is needed to meet potential requirements from donors other than USAID. 2. Project monitoring is hampered at times due to variance in budgeted expenses versus actual expenses. This is due to nature of project and the need to train country partners to budget adequately. Variance in expenditures can be addressed via training and capacitation of HR related to project management and M7E</p>
8	<p>AFROHUN should proactively engage in enhance its human resources if it wants to engage additional partners.</p>
9	
10	
11	
12	

	A	B	C	D	E	F	G	H	I	J
1	Capacity and Risk Areas to Review			SCORING						
2				1		2		3		4 (Highest Score)
3			No.	INADEQUATE CAPACITY Key Deficiencies and SW Not Remediable Before Award		WEAK CAPACITY Some Deficiencies and SW Not Easily Remediable Before Award		ADEQUATE CAPACITY No Deficiencies SW (if any) Remediable Before Award		STRONG CAPACITY No Deficiencies or SW
4				High Risk		Moderate to High Risk		Low to Moderate Risk		Low Risk

	K	L	M	N	O	P	Q	R
1								
2								
3			SCORE Based On:				Doc. Ref	RATIONALE
4		SCORE	Desk Review	Inquiry	Obsn.	Test		

	S
1	
2	
3	RECOMMENDATIONS
4	

	A	B	C	D	E	F	G	H	I	J
5	Sixth Criterion: ORGANIZATIONAL SUSTAINABILITY									
6	6.1	Cash Flow Management								
7		Confirm the organization demonstrates good discipline in developing, monitoring and using cash flow budgets effectively and in actually managing its cash and payables in a responsible manner.	29	Organization has <u>no or little</u> history of developing, monitoring and using cash flow budgets .	Organization has <u>weak</u> discipline in developing and monitoring and using cash flow budgets.	Organization has <u>adequate</u> discipline in developing and monitoring and using cash flow budgets.	Organization has <u>good</u> discipline in developing, monitoring and using cash flow budgets.			
8		<i>Consider performing a few ratios to determine the strength and the sustainability of a for-profit organization. For instance, these may be appropriate: current ratio, acid test ratio, defensive interval or working capital.</i>		Organization has <u>inadequate</u> capacity to develop, monitor, update and use comprehensive cash flow projections.	Management is <u>not adequately</u> involved with finance personnel in daily or weekly cash flow management.	Management is <u>adequately</u> involved with finance personnel in daily or weekly cash flow management.	Management is <u>actively</u> involved with finance personnel in daily cash flow management.			
9				Due to poor cash management practices and weak results of operation, payments to creditors and/or employee are often late and remain past due well beyond the terms of payment.	Often, payments are not made on time due to fluctuations in cash inflow and outflow and weak cash management practices.	Organization has a <u>reasonably satisfactory</u> history of making payments to creditors and employees on time. There are <u>no</u> material past due accounts (singly or in the aggregate).	Organization has a <u>good</u> history of making payments to creditors and employees on time.			
10				There <u>are</u> material past due accounts, that are seriously delinquent. There are unliquidated advances over 1 yr.	There are no unliquidated advances over 90 days.	There are no unliquidated advances over 60 days.	There are <u>no</u> material past due accounts (singly or in the aggregate). These include long outstanding advances.			
11										Average Score
12	6.2	Absorptive Capacity								

	K	L	M	N	O	P	Q	R
5								
6								
7		3.00	NA	3.0			1. Virtual site interview with Finance Team. 2. Cash flow budget for Q2 2019.	1. Using CF budgets is not new for AFROHUN as it has been using them for several years now. Good experience. 2. Monitoring poses some challenges, especially when funds are held up in a country. 3. Variances between the CF projections and the actual expenses are generally lower than 10%.
8		3.00	NA	3.0			1. Virtual site interview with Finance Team. 2. Cash flow budget for Q2 2019.	Team implicitly mentioned the involvement of management in the CF management, but degree of involvement is not clear. Follow-up email sent.
9		2.88	2.5	3.3			1. Virtual site interview with Finance Team. 2. Audit report from September 2018. 3. Unaudited balance sheet from September 2019.	1. Good history of payments to creditors & employees. 2. Sporadically, AFROHUN renegotiates with providers and/or uses the "management account" (when there is a delay in receiving the funds, this Mgmt Acc. Helps guarantee payments are not delayed). 3. No wages delayed in the last 3 years
10		2.88	2.5	3.3			1. Virtual site interview with Finance Team. 2. Audit report from September 2018. 3. Unaudited balance sheet from September 2019.	1. Management account used when needed. 2. No material past due accounts or unliquidated advances as of today. 3. Liabilities are negative in the unaudited BS (2019)... Follow up email sent.
11		2.94						
12								

	S
5	
6	
7	<p>1. Application of more controls for monitoring the CFs of the countries (in process). This is one of the areas identified as challenging, especially once the funds are held up in a country.</p> <p>2. Once diversification is achieved (new sources of revenue), a complete cycle of collections and payments should help control some of the challenges of today's CF management.</p>
8	Likely to increase the participation of Management in the cash flow management.
9	We recommend a strict control of the management account and avoiding use such account as much as possible. Once new sources of revenue are in place, reliance on this account should probably be reduced.
10	Due accounts are being managed effectively. We are waiting for feedback on follow-up email to understand the classification of a negative liability in the BS (prepaid expense of 350.000USD?).
11	
12	

	A	B	C	D	E	F	G	H	I	J
13		Confirm that the organization has adequate absorptive capacity (i.e., can rise to the level of effort required to implement an additional project).	28	Organization does not have capacity to absorb the level of effort required to implement an additional project/activity.		Organization's absorptive capacity is <u>weak</u> for purposes of the award (i.e., the organization may be hard pressed to rise to the level of effort required to take on an additional project/activity).		Organization's absorptive capacity is <u>adequate</u> . Given its resources and ability to obtain additional resources, organization has adequate capacity to absorb the level of effort required.		Organization's absorptive capacity is <u>more than adequate</u> . Given its resources, organization has the capacity to absorb the level of effort required to implement an additional project/activity.
14										Score
15	Average Score for ORGANIZATIONAL SUSTAINABILITY									
16	TOTAL OVERALL AVE. SCORE									
17										
18										
19										

	K	L	M	N	O	P	Q	R
13		2.93	2.80	3	3	n/a	1. Virtual site visit with program management team. 2. Reports and work plans (OHCEA annual report (2017) and semi-annual report (2019), OHW-NG Y1 Workplan); 3. OHCEA Capacity Statement; 4. OHCEA Strategic Plan; 5. OHCEA Organizational Development Report (2018); 6. AFROHUN CVs (n=6 and Job Descriptions (n=2); 7. OHCEA Audit, 2018	1. OHCEA has demonstrated ability to absorb new activities as displayed from 2017, 2019 reports and the 2019 work plan. Observation of OHCEA's absorption of new OHW-NG Y1 activities in the first 6 months of the year also confirm ability to absorb new activities. SWOT interview respondents confirm project execution is a strength. 2. OHCEA has high retention rates of highly qualified staff and no issue was identified in recruiting staff, reflecting a strong ability to recruit and retain quality staff. Staff CVs reflect strong expertise in the require subject matter areas of their work. 3. OHCEA has established organizational structure and established procedures for work planning that serve as repeatable processes, which allow for scaling of activities and countries at marginal incremental cost or effort. Strong management practices ensure accountability of project activities, and a new M&E system will strengthen joint fiscal and project management. 4. However, some improvements were identified to manage quality growth, including better use of M&E data to identify gaps and weaknesses and improve programs and the lack of an identified person or plan to guide the organization's objective to expand to new countries and members. Importantly, the organization's grants management and resource mobilization unit has only 1 person, which limits OHCEA's ability to identify new resources. 5. Also concerning, the organization's monthly defensive intervals; current, and acid test ratios are low, and OHCEA had an urgent salary payment issue in February, 2020, reflecting a lack of financial cushion to cover or absorb new activities in the absence of dedicated sub-awards. This is an issue for absorption and financial sustainability in the context of a disruption or delay to donor funding.
14		2.93						
15	ITY	2.94						
16	RE	###						
17								
18								
19								

	S
13	To guide quality growth of OHCEA over time, it is recommended that the organization develop a plan for increasing membership and countries, and dedicate an individual person to lead this effort to produce accountability. To ensure greater absorptive capacity overall, OHCEA will need to diversity funding and establish an improved financial position reflected in higher monthly defensive intervals, current, and acid test ratios to cover donor disruption and delays.
14	
15	
16	
17	
18	
19	

	A	B	C
1	Appendix C – NUPAS Report Table		
2			
3	Name of Organization:		
4	Proposed Activity/Amount:		
5	Survey Conducted by:		
6			
7			
8	No.	Criterion	Average score
9	1	Legal Structure	
10	2	Financial Management and Internal Control Systems	
11	3	Procurement Systems	
12	4	Human Resources Systems	
13	5	Project Performance Management	
14	6	Organization Sustainability	
15		Overall Score	
16			
17	1. Legal Structure		
18	Risk Areas Reviewed	Observations and Findings	Score
19	1.1 Local Organization Definition		
20	1.2 Legal Requirements		
21	1.3 Organizational Structure		
22	1.4 Governance		
23	1.5 Control Environment		
24			
25			
26	2. Financial Management and Internal Control Systems		
27	Risk Areas Reviewed	Observations and Findings	Score
28	2.1 Banking Relationship and Accounts		
29	2.2 Accounting/Bookkeeping system		
30	2.3 Chart of Accounts, General Ledger and Financial Statements		
31	2.4 Variance Analysis (Budget to Actual Costs)		
32	2.5 Allowable and Unallowable Cost		
33			

	A	B	C
34	2.6 Direct and Indirect Costs		
35	2.7 Payments – Segregation of Duties		
36	2.8 Accounting Cycle		
37	2.9 Financial Records Management		
38	2.10 Sources of Funding		
39	2.11 Financial Reporting		
40	2.12 Audit and Review of Financial Statements		
41	2.13 Financial Management Personnel		
42			
43	3. Procurement Systems		
44	Risk Areas Reviewed	Observations and Findings	Score
45	3.1 Procurement Policies, Procedures and Practices		
46	3.2 Compliance with Policies and Procedures – Reasonableness of Price		
47	3.3 Procurement and Sub-awards		
48			
49			
50	4. Human Resources Systems		
51	Risk Areas Reviewed	Observations and Findings	Score
52	4.1 Overall HR Policies and Procedures		
53	4.2 Staff Time Management		
54	4.3 Payroll System		
55	4.4 Travel Policies and Procedures		
56			
57	5. Project Performance Management		
58	Risk Areas Reviewed	Observations and Findings	Score
59	5.1 Technical Evaluation Criteria		
60	6.2 Project Management Capacity		
61			
62			
63	6. Organizational Sustainability		
64	Risk Areas Reviewed	Observations and Findings	Score
65	6.1 Cash Flow Management		

	A	B	C
66	6.1 Cash Flow Management		
67	6.2 Absorptive Capacity		